

## **BILL ANALYSIS**

C.S.H.B. 4797  
By: Bolton  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Travis County Improvement District No. 1 is currently located in the unincorporated areas of Travis and Burnet Counties. The district will be a management district similar to those operating under Chapter 375, Local Government Code, and Title 4, Special District Local Laws Code.

C.S.H.B. 4797 creates the Travis County Improvement District No. 1 as a political subdivision of the State of Texas to administer and provide funding for economic development projects and services in the district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 4797 amends the Special District Local Laws Code to create the Travis County Improvement District No. 1. The bill sets forth general provisions for the nature of the district; the district's public purpose, intent, and benefit; initial district territory; the eligibility of an area of the district for inclusion in special zones; the applicability of municipal management districts law; and the liberal construction of provisions regarding the district. The bill sets forth provisions relating to the composition and terms of the board of directors of the district, the appointment of directors, the initial voting directors, nonvoting members, the quorum requirement, and compensation; the powers and duties of the district, including the authority to exercise powers given to a development corporation, make an agreement with or accept a gift, grant, or loan from any person, contract for law enforcement, join and pay dues to a charitable organization, establish an economic development program, negotiate and enter into a strategic partnership agreement, and annex and exclude land. The bill prohibits the district from exercising the power of eminent domain.

C.S.H.B. 4797 sets forth provisions relating to the district's authority to acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities and authorizes the district to adopt rules governing its public parking facilities. The bill authorizes the district to use any of its resources to pay the cost of acquiring or operating public parking facilities. The bill requires the district to obtain a traffic impact analysis before development begins and sets forth provisions relating to that analysis and to the costs the district or a developer of land is required to pay for road improvements. The bill sets forth provisions relating to disbursements and transfers of the district's money and money used to acquire, construct, finance, operate, or maintain any improvement or service authorized under the bill's provisions or under provisions relating to municipal management districts. The bill prohibits the board from financing a service or improvement project with an assessment unless a written petition requesting that service or improvement has been filed with the board and sets forth procedures for the petition and for notice of a hearing. The bill prohibits the district from

imposing an impact fee or assessment on the property of an electric or gas utility, a telecommunications provider, or a person who provides to the public cable television or advanced telecommunications service. The bill provides that the prohibition against the imposition of an impact fee, assessment, tax, or other requirement on single-family detached residential property, duplexes, triplexes, and quadruplexes does not apply to a tax imposed by the district or a requirement for payment for a service provided by the district.

C.S.H.B. 4797 sets forth financial provisions authorizing the district to impose an operation and maintenance tax, to borrow money, to issue bonds and other obligations, and to impose contract taxes. The bill sets forth provisions for a district election regarding taxes and bonds. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill sets forth the applicable state law relating to the district's competitive bidding. The bill authorizes the district to grant in the manner authorized by state law an abatement for a tax or assessment owed to the district.

C.S.H.B. 4797 authorizes the district to define areas or to designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole. The bill sets forth procedures for an election and for declaring the results and issuing an order in the defined area or designated property regarding bonds payable from property taxes of the area or property. The bill sets forth provisions regarding the district's authority relating to taxes for services, improvements, and facilities in defined areas or designated property and provisions regarding the issuance of bonds and the imposition of taxes for the area or property.

C.S.H.B. 4797 authorizes the district to adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the voters of the district voting in the election authorize the adoption of the tax and sets forth election procedures. The bill authorizes the board to abolish the tax without an election unless the district has outstanding debt secured by the tax. The bill sets forth provisions relating to the rate of the district's sales and use tax and the meaning of words and phrases relating to the tax. The bill authorizes the district to impose a hotel occupancy tax and to use revenue from the tax for any district purpose that is also an authorized use of a municipality's hotel occupancy tax revenue under state law and sets forth requirements relating to the tax. The bill sets forth the Tax Code provisions applicable to the district's sales and use and hotel occupancy taxes.

C.S.H.B. 4797 sets forth the metes and bounds description of the initial boundaries of the district. The bill defines the terms "board," "director," "district," and "hotel."

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4797 creates the Travis County Improvement District No. 1, whereas the original creates the Travis and Burnet Counties Improvement District No. 1. The substitute removes a provision from the original exempting the district's public parking facilities and any lease to a private entity from the payment of property taxes and state and local sales and use taxes. The substitute adds provisions not in the original requiring the district to obtain a traffic impact analysis before development begins and setting forth provisions relating to that analysis and to the costs the district or a developer of land is required to pay for road improvements. The substitute differs from the original by omitting a provision of the Local Government Code exempting the district from provisions encouraging the full participation of disadvantaged businesses in all phases of its procurement activities.

C.S.H.B. 4797 differs from the original by making Tax Code provisions relating to a municipal hotel occupancy tax applicable to the bill's hotel occupancy tax, whereas the original applied Tax Code provisions relating to a county hotel occupancy tax. The substitute authorizes the district to use revenue from the tax for any district purpose that is also an authorized use of a municipality's hotel occupancy tax revenue under state law, whereas the original authorizes the district to impose the tax for any district purpose, including to maintain and operate the district, construct or acquire improvements, and provide a service.

C.S.H.B. 4797 differs from the original by changing the metes and bounds description of the district.